

1-1 By: Ellis S.B. No. 2055  
1-2 (In the Senate - Filed May 8, 2007; May 8, 2007, read first  
1-3 time and referred to Committee on Intergovernmental Relations;  
1-4 May 18, 2007, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 3, Nays 0; May 18, 2007,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 2055 By: Nichols

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the creation of the Harris County Improvement District  
1-11 No. 10; providing authority to impose a tax and issue bonds.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. AMENDMENT. Subtitle C, Title 4, Special  
1-14 District Local Laws Code, is amended by adding Chapter 3860 to read  
1-15 as follows:

1-16 CHAPTER 3860. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 10

1-17 SUBCHAPTER A. GENERAL PROVISIONS

1-18 Sec. 3860.001. DEFINITIONS. In this chapter:

1-19 (1) "Board" means the board of directors of the  
1-20 district.

1-21 (2) "District" means the Harris County Improvement  
1-22 District No. 10.

1-23 Sec. 3860.002. NATURE OF DISTRICT. The district is a  
1-24 special district created under Section 59, Article XVI, Texas  
1-25 Constitution.

1-26 Sec. 3860.003. PURPOSE; DECLARATION OF INTENT. (a) The  
1-27 creation of the district is essential to accomplish the purposes of  
1-28 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
1-29 Texas Constitution, and other public purposes stated in this  
1-30 chapter. By creating the district and in authorizing Harris  
1-31 County, the City of Houston, the Metropolitan Transit Authority of  
1-32 Harris County, and other political subdivisions to contract with  
1-33 the district, the legislature has established a program to  
1-34 accomplish the public purposes set out in Section 52-a, Article  
1-35 III, Texas Constitution.

1-36 (b) The creation of the district is necessary to promote,  
1-37 develop, encourage, and maintain employment, commerce,  
1-38 transportation, parking, housing, recreation, the arts, safety,  
1-39 and the public welfare in the area of the district.

1-40 (c) This chapter and the creation of the district may not be  
1-41 interpreted to relieve Harris County or the City of Houston from  
1-42 providing the level of services provided as of September 1, 2007, to  
1-43 the area in the district. The district is created to supplement and  
1-44 not to supplant the county or city services provided in the area in  
1-45 the district.

1-46 Sec. 3860.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-47 (a) The district is created to serve a public use and benefit.

1-48 (b) All land and other property included in the district  
1-49 will benefit from the improvements and services to be provided by  
1-50 the district under powers conferred by Sections 52 and 52-a,  
1-51 Article III, and Section 59, Article XVI, Texas Constitution, and  
1-52 other powers granted under this chapter.

1-53 (c) Each improvement project or service authorized by this  
1-54 chapter is essential to carry out a public purpose.

1-55 (d) The creation of the district is in the public interest  
1-56 and is essential to:

1-57 (1) further the public purposes of developing and  
1-58 diversifying the economy of the state;

1-59 (2) eliminate unemployment and underemployment; and

1-60 (3) develop or expand transportation and commerce.

1-61 (e) The district will:

1-62 (1) promote the health, safety, and general welfare of  
1-63 residents, employers, employees, visitors, and consumers in the

2-1 district, and of the public;  
2-2 (2) provide needed funding for the district to  
2-3 preserve, maintain, and enhance the economic health and vitality of  
2-4 the area as a residential neighborhood and a commercially viable  
2-5 area;  
2-6 (3) promote the health, safety, welfare, and enjoyment  
2-7 of the public by providing pedestrian ways and by landscaping and  
2-8 developing certain areas in the district, which are necessary for  
2-9 the restoration, preservation, and enhancement of scenic beauty;  
2-10 (4) promote and benefit commercial development and  
2-11 commercial areas in the district; and  
2-12 (5) promote and develop public transportation and  
2-13 pedestrian facilities and systems using new and alternative means  
2-14 that are attractive, safe, and convenient, including securing  
2-15 expanded and improved transportation and pedestrian facilities and  
2-16 systems, to:  
2-17 (A) address the problem of traffic congestion in  
2-18 the district, the need to control traffic and improve pedestrian  
2-19 safety, and the limited availability of money; and  
2-20 (B) benefit the land and other property in the  
2-21 district and the residents, employers, employees, visitors, and  
2-22 consumers in the district and the public.  
2-23 (f) Pedestrian ways along or across a street, whether at  
2-24 grade or above or below the surface, and street lighting, street  
2-25 landscaping, and street art objects are parts of and necessary  
2-26 components of a street and are considered to be a street or road  
2-27 improvement.  
2-28 (g) The district will not act as the agent or  
2-29 instrumentality of any private interest even though the district  
2-30 will benefit many private interests as well as the public.  
2-31 Sec. 3860.005. DISTRICT TERRITORY. (a) The district is  
2-32 composed of the territory described by Section 2 of the Act enacting  
2-33 this chapter, as that territory may have been modified under:  
2-34 (1) Subchapter J, Chapter 49, Water Code;  
2-35 (2) Section 3860.111; or  
2-36 (3) other law.  
2-37 (b) The boundaries and field notes of the district contained  
2-38 in Section 2 of the Act enacting this chapter form a closure. A  
2-39 mistake in the field notes or in copying the field notes in the  
2-40 legislative process does not in any way affect:  
2-41 (1) the district's organization, existence, and  
2-42 validity;  
2-43 (2) the district's right to issue any type of bond,  
2-44 including a refunding bond, for a purpose for which the district is  
2-45 created or to pay the principal of and interest on the bond;  
2-46 (3) the district's right to impose and collect an  
2-47 assessment or tax; or  
2-48 (4) the legality or operation of the district or the  
2-49 board.  
2-50 (c) A description of the district's boundaries shall be  
2-51 filed with the Texas Commission on Environmental Quality. The  
2-52 commission by order may correct a mistake in the description of the  
2-53 district's boundaries.  
2-54 Sec. 3860.006. APPLICABILITY OF MUNICIPAL MANAGEMENT  
2-55 DISTRICTS LAW. Except as otherwise provided by this chapter,  
2-56 Chapter 375, Local Government Code, applies to the district.  
2-57 Sec. 3860.007. LIBERAL CONSTRUCTION OF CHAPTER. This  
2-58 chapter shall be liberally construed in conformity with the  
2-59 findings and purposes stated in this chapter.  
2-60 [Sections 3860.008-3860.050 reserved for expansion]  
2-61 SUBCHAPTER B. BOARD OF DIRECTORS  
2-62 Sec. 3860.051. COMPOSITION; TERMS. (a) The district is  
2-63 governed by a board of 14 voting directors who serve staggered terms  
2-64 of four years, with the terms of six or eight directors, as  
2-65 appropriate, expiring June 1 of each odd-numbered year.  
2-66 (b) The board by order or resolution may increase or  
2-67 decrease the number of voting directors on the board, but only if it  
2-68 is in the best interest of the district to do so. The board may not:  
2-69 (1) increase the number of directors to more than 15;

3-1 or  
3-2 (2) decrease the number of directors to fewer than  
3-3 five.

3-4 Sec. 3860.052. APPOINTMENT OF DIRECTORS. The mayor and  
3-5 members of the governing body of the City of Houston shall appoint  
3-6 voting directors from persons recommended by the board. A person is  
3-7 appointed if a majority of the members of the governing body,  
3-8 including the mayor, vote to appoint that person.

3-9 Sec. 3860.053. NONVOTING DIRECTORS. (a) The following  
3-10 persons serve as nonvoting directors:

3-11 (1) the directors of the following departments of the  
3-12 City of Houston or a person designated by that director:

- 3-13 (A) parks and recreation;
- 3-14 (B) planning and development; and
- 3-15 (C) public works; and

3-16 (2) the City of Houston's chief of police.

3-17 (b) If a department described by Subsection (a) is  
3-18 consolidated, renamed, or changed, the board may appoint a director  
3-19 of the consolidated, renamed, or changed department as a nonvoting  
3-20 director. If a department described by Subsection (a) is  
3-21 abolished, the board may appoint a representative of another  
3-22 department that performs duties comparable to those performed by  
3-23 the abolished department.

3-24 Sec. 3860.054. QUORUM. (a) A majority of the board is a  
3-25 quorum.

3-26 (b) Nonvoting directors and vacant director positions are  
3-27 not counted for the purposes of establishing a board quorum.

3-28 Sec. 3860.055. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.  
3-29 (a) Except as provided by this section:

3-30 (1) a director may participate in all board votes and  
3-31 decisions; and

3-32 (2) Chapter 171, Local Government Code, governs  
3-33 conflicts of interest for directors.

3-34 (b) Section 171.004, Local Government Code, does not apply  
3-35 to the district. A director who has a substantial interest in a  
3-36 business or charitable entity that will receive a pecuniary benefit  
3-37 from a board action shall file a one-time affidavit declaring the  
3-38 interest. An additional affidavit is not required if the  
3-39 director's interest changes. After the affidavit is filed with the  
3-40 board secretary, the director may participate in a discussion or  
3-41 vote on that action if:

3-42 (1) a majority of the directors have a similar  
3-43 interest in the same entity; or

3-44 (2) all other similar business or charitable entities  
3-45 in the district will receive a similar pecuniary benefit.

3-46 (c) A director who is also an officer or employee of a public  
3-47 entity may not participate in the discussion of or vote on a matter  
3-48 regarding a contract with that public entity.

3-49 (d) For purposes of this section, a director has a  
3-50 substantial interest in a charitable entity in the same manner that  
3-51 a person would have a substantial interest in a business entity  
3-52 under Section 171.002, Local Government Code.

3-53 Sec. 3860.056. COMPENSATION OF VOTING DIRECTORS. Voting  
3-54 directors may receive fees of office and reimbursement of expenses  
3-55 as provided by Section 49.060, Water Code.

3-56 Sec. 3860.057. INITIAL VOTING DIRECTORS. (a) The initial  
3-57 board consists of the following voting directors:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>_____</u>
<u>2</u>	<u>_____</u>
<u>3</u>	<u>_____</u>
<u>4</u>	<u>_____</u>
<u>5</u>	<u>_____</u>
<u>6</u>	<u>_____</u>
<u>7</u>	<u>_____</u>
<u>8</u>	<u>_____</u>
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<u>10</u>	<u>_____</u>
<u>11</u>	<u>_____</u>

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(b) Of the initial voting directors, the terms of directors appointed for positions 1, 2, 3, 8, 9, and 10 expire June 1, 2009, and the terms of directors appointed for positions 4, 5, 6, 7, 11, 12, 13, and 14 expire June 1, 2011.

(c) Section 3860.052 does not apply to this section.

(d) This section expires September 1, 2011.

[Sections 3860.058-3860.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3860.101. GENERAL DISTRICT POWERS. The district has all powers necessary to accomplish the purposes for which the district was created.

Sec. 3860.102. DEVELOPMENT CORPORATION AND HOUSING CORPORATION POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), including the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that section; and

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Sec. 3860.103. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Sec. 3860.104. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 3860.105. CONTRACT FOR LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with:

(1) Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee; and

(2) a private entity for the private entity to provide supplemental security services.

Sec. 3860.106. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain the approval of the City of Houston's governing body for:

(1) the issuance of a bond for each improvement project;

(2) the plans and specifications of the improvement project financed by the bond; and

(3) the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget

5-1 without further approval from the City of Houston.

5-2 Sec. 3860.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
5-3 district may join and pay dues to an organization that:

5-4 (1) is an organization exempt from taxation under  
5-5 Section 501(a), Internal Revenue Code of 1986, as an organization  
5-6 described by Section 501(c)(3), (4), or (6) of that code; and

5-7 (2) performs a service or provides an activity  
5-8 consistent with the furtherance of a district purpose.

5-9 Sec. 3860.108. ROAD POWERS. (a) The district may exercise  
5-10 the powers given to:

5-11 (1) a road district created under Chapter 257,  
5-12 Transportation Code; and

5-13 (2) a road utility district created under Chapter 441,  
5-14 Transportation Code.

5-15 (b) The district does not need the approval of the Texas  
5-16 Department of Transportation or the Texas Transportation  
5-17 Commission to construct a road or street if the director of public  
5-18 works of the City of Houston has approved the road or street.

5-19 Sec. 3860.109. AIR RIGHTS; CONSTRUCTION. The district may  
5-20 acquire air rights and may construct improvements on property on  
5-21 which it only owns air rights.

5-22 Sec. 3860.110. ADDITIONAL PROPERTY RIGHTS; LEASEHOLDS. The  
5-23 district may construct improvements on property on which it only  
5-24 has a leasehold interest and may own undivided interests in  
5-25 buildings and other improvements.

5-26 Sec. 3860.111. DIVISION OF DISTRICT. (a) The district may  
5-27 be divided into two districts only if the district is not imposing  
5-28 ad valorem taxes.

5-29 (b) Not later than the 60th day after the effective date of  
5-30 the Act enacting this chapter, the board shall adopt an order  
5-31 dividing the district into two districts. The original district  
5-32 includes all district territory not included in the new district.  
5-33 The new district includes all the territory included in state  
5-34 representative district 131 on the date the division is effective.  
5-35 The new district may not request consent to its creation from the  
5-36 City of Houston until the order dividing the district is adopted.

5-37 (c) After the division of the district:

5-38 (1) the original district is governed by a board of  
5-39 seven voting directors consisting of the directors appointed to  
5-40 positions eight through fourteen; and

5-41 (2) the new district is governed by a board of seven  
5-42 voting directors consisting of the directors appointed to positions  
5-43 one through seven of the original district.

5-44 (d) An order dividing the district must:

5-45 (1) name the new district;

5-46 (2) describe the boundaries of the new district;

5-47 (3) name the initial directors of the new district;

5-48 and

5-49 (4) divide the assets and liabilities in any manner  
5-50 between the new district and the original district.

5-51 (e) Not later than the 10th day after the date the board  
5-52 adopts the order, the district shall file the order with the Texas  
5-53 Commission on Environmental Quality and record the order in the  
5-54 real property records of Harris County.

5-55 (f) The new district has all the powers and duties of the  
5-56 district.

5-57 Sec. 3860.112. NO EMINENT DOMAIN POWER. The district may  
5-58 not exercise the power of eminent domain.

5-59 [Sections 3860.113-3860.150 reserved for expansion]

5-60 SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

5-61 Sec. 3860.151. PUBLIC TRANSIT SYSTEM. The district may  
5-62 acquire, lease as lessor or lessee, construct, develop, own,  
5-63 operate, and maintain a public transit system to serve the area in  
5-64 the district.

5-65 Sec. 3860.152. PARKING FACILITIES AUTHORIZED; OPERATION BY  
5-66 PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire,  
5-67 lease as lessor or lessee, construct, develop, own, operate, and  
5-68 maintain parking facilities, including:

5-69 (1) lots, garages, parking terminals, or other

6-1 structures or accommodations for the parking of motor vehicles; and  
6-2 (2) equipment, entrances, exits, fencing, and other  
6-3 accessories necessary for safety and convenience in the parking of  
6-4 vehicles.

6-5 (b) A parking facility of the district must be either leased  
6-6 to or operated on behalf of the district by a private entity or an  
6-7 entity other than the district. The district's parking facilities  
6-8 are a program authorized by the legislature under Section 52-a,  
6-9 Article III, Texas Constitution, and accomplish a public purpose  
6-10 under that section even if leased or operated by a private entity  
6-11 for a term of years.

6-12 (c) The district's public parking facilities and any lease  
6-13 to a private entity are exempt from the payment of ad valorem taxes  
6-14 and state and local sales and use taxes.

6-15 Sec. 3860.153. RULES. The district may adopt rules  
6-16 covering its public transit system or its public parking facilities  
6-17 except that a rule relating to or affecting the use of the public  
6-18 right-of-way or a requirement for off-street parking is subject to  
6-19 all applicable municipal charter, code, or ordinance requirements.

6-20 Sec. 3860.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR  
6-21 PARKING FACILITIES. (a) The district may use any of its  
6-22 resources, including revenue, assessments, taxes, and grant or  
6-23 contract proceeds, to pay the cost of acquiring and operating a  
6-24 public transit system or public parking facilities.

6-25 (b) The district may set and impose fees, charges, or tolls  
6-26 for the use of the public transit system or the public parking  
6-27 facilities and may issue bonds or notes to finance the cost of these  
6-28 facilities.

6-29 (c) If the district pays for or finances the cost of  
6-30 acquiring or operating a public transit system or public parking  
6-31 facilities with resources other than assessments, a petition of  
6-32 property owners or a public hearing is not required.

6-33 Sec. 3860.155. AGREEMENT WITH RAPID TRANSIT AUTHORITY.  
6-34 (a) In this section, "authority" means a rapid transit authority  
6-35 created under Chapter 451, Transportation Code.

6-36 (b) The district and an authority may agree to jointly  
6-37 construct, own, operate, and maintain a transit facility or a  
6-38 parking facility under the terms the authority and district desire.

6-39 (c) The agreement may provide that the district and the  
6-40 authority exchange or trade land provided that each party to the  
6-41 agreement receives fair market value. The authority is not  
6-42 required to offer any property that it proposes to trade to the  
6-43 district for sale to the public or for sale to any abutting property  
6-44 owner.

6-45 [Sections 3860.156-3860.200 reserved for expansion]

6-46 SUBCHAPTER E. FINANCIAL PROVISIONS

6-47 Sec. 3860.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
6-48 board by resolution shall establish the number of directors'  
6-49 signatures and the procedure required for a disbursement or  
6-50 transfer of the district's money.

6-51 Sec. 3860.202. PETITION REQUIRED FOR FINANCING SERVICES AND  
6-52 IMPROVEMENTS. (a) The board may not finance a service or  
6-53 improvement project with assessments under this chapter unless a  
6-54 written petition requesting that service or improvement has been  
6-55 filed with the board.

6-56 (b) A petition requesting a project financed by assessment  
6-57 must be signed by:

6-58 (1) the owners of a majority of the assessed value of  
6-59 real property in the district subject to assessment according to  
6-60 the most recent certified tax appraisal roll for Harris County; or

6-61 (2) at least 25 owners of real property in the district  
6-62 that will be subject to the assessment, if more than 25 persons own  
6-63 real property subject to the assessment in the district according  
6-64 to the most recent certified tax appraisal roll for Harris County.

6-65 Sec. 3860.203. MAINTENANCE TAX. (a) If authorized at an  
6-66 election held in accordance with Section 3860.208, the district may  
6-67 impose an annual ad valorem tax on taxable property in the district  
6-68 to:

6-69 (1) administer the district;

7-1 (2) maintain and operate the district;  
7-2 (3) construct or acquire improvements; or  
7-3 (4) provide a service.

7-4 (b) The board shall determine the tax rate.

7-5 (c) An owner of real property in the district, except  
7-6 property exempt under the Texas or United States Constitution or  
7-7 under the Tax Code, is liable for the payment of ad valorem taxes  
7-8 imposed by the district on the property.

7-9 Sec. 3860.204. ASSESSMENTS; LIENS FOR ASSESSMENTS.

7-10 (a) The board by resolution may impose and collect an assessment  
7-11 for any purpose authorized by this chapter.

7-12 (b) An assessment, a reassessment, or an assessment  
7-13 resulting from an addition to or correction of the assessment roll  
7-14 by the district, penalties and interest on an assessment or  
7-15 reassessment, an expense of collection, and reasonable attorney's  
7-16 fees incurred by the district:

7-17 (1) are a first and prior lien against the property  
7-18 assessed;

7-19 (2) are superior to any other lien or claim other than  
7-20 a lien or claim for county, school district, or municipal ad valorem  
7-21 taxes; and

7-22 (3) are the personal liability of and a charge against  
7-23 the owners of the property even if the owners are not named in the  
7-24 assessment proceedings.

7-25 (c) The lien is effective from the date of the board's  
7-26 resolution imposing the assessment until the date the assessment is  
7-27 paid. The board may enforce the lien in the same manner that the  
7-28 board may enforce an ad valorem tax lien against real property.

7-29 (d) The board may make a correction to or deletion from the  
7-30 assessment roll that does not increase the amount of assessment of  
7-31 any parcel of land without providing notice and holding a hearing in  
7-32 the manner required for additional assessments.

7-33 Sec. 3860.205. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
7-34 ASSESSMENTS. The district may not impose an impact fee or  
7-35 assessment on the property, including the equipment,  
7-36 rights-of-way, facilities, or improvements, of:

7-37 (1) an electric utility or a power generation company  
7-38 as defined by Section 31.002, Utilities Code;

7-39 (2) a gas utility as defined by Section 101.003 or  
7-40 121.001, Utilities Code;

7-41 (3) a telecommunications provider as defined by  
7-42 Section 51.002, Utilities Code; or

7-43 (4) a person who provides to the public cable  
7-44 television or advanced telecommunications services.

7-45 Sec. 3860.206. BONDS AND OTHER OBLIGATIONS. (a) The  
7-46 district may issue bonds or other obligations payable wholly or  
7-47 partly from assessments, impact fees, revenue, grants, or other  
7-48 money of the district, or any combination of those sources of money,  
7-49 to pay for any authorized district purpose.

7-50 (b) In exercising the district's power to borrow, the  
7-51 district may issue a bond or other obligation in the form of a bond,  
7-52 note, certificate of participation or other instrument evidencing a  
7-53 proportionate interest in payments to be made by the district, or  
7-54 other type of obligation.

7-55 Sec. 3860.207. LIMIT ON PARKS AND RECREATION BONDS. Bonds  
7-56 issued to finance parks and recreational facilities may not exceed  
7-57 one percent of the assessed value of the real property in the  
7-58 district according to the most recent certified tax appraisal roll  
7-59 for Harris County.

7-60 Sec. 3860.208. TAX AND BOND ELECTIONS. (a) The district  
7-61 shall hold an election in the manner provided by Subchapter L,  
7-62 Chapter 375, Local Government Code, to obtain voter approval before  
7-63 the district imposes a maintenance tax or issues bonds payable from  
7-64 ad valorem taxes.

7-65 (b) The board may not include more than one purpose in a  
7-66 single proposition at an election.

7-67 (c) Section 375.243, Local Government Code, does not apply  
7-68 to the district.

7-69 Sec. 3860.209. POWERS OF MUNICIPAL UTILITY DISTRICT TO

ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS.

(a) The district has the powers of a municipal utility district under Subchapter J, Chapter 54, Water Code, including the power to:

- (1) implement a plan adopted under that subchapter;
- (2) issue bonds; and
- (3) impose a tax in a defined area established under that subchapter.

(b) The district may exercise the powers described by Subsection (a) regardless of whether the district is composed of the minimum number of acres provided by Section 54.801, Water Code.

Sec. 3860.210. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Sec. 3860.211. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than \$25,000.

[Sections 3860.212-3860.250 reserved for expansion]

SUBCHAPTER F. DISSOLUTION

Sec. 3860.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.

(a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

SECTION 2. BOUNDARIES. As of the effective date of this Act, the Harris County Improvement District No. 10 includes all territory generally bounded by the following described area:

Beginning at a point on the North at the intersection of Almeda and the 610 South Loop, thence in an easterly direction along the centerline of the 610 South Loop to the intersection of the 610 South Loop and MLK; thence in a southerly direction along the centerline of MLK to the intersection of MLK and E. Orem; thence in a westerly direction along the centerline of E. Orem to the intersection of E. Orem and Cullen; thence in a southerly direction along the centerline of Cullen to the intersection of Cullen and Almeda-Genoa; thence in a westerly direction along the centerline of Almeda-Genoa to the intersection of Almeda-Genoa and Almeda; thence in a northerly direction to the intersection of Almeda and the 610 South Loop.

SECTION 3. REIMBURSEMENT FOR COST OF CREATION. The Harris County Improvement District No. 10 may reimburse the cost of creating the district from assessments or other revenue created by the district.

SECTION 4. LEGISLATIVE FINDINGS. The legislature finds that:

(1) proper and legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished by the constitution and laws of this state, including the governor, who has submitted the notice and Act to the Texas Commission on Environmental Quality;

(2) the Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time;

(3) the general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with; and

(4) all requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 5. INAPPLICABILITY OF NOTICE LAW. Section 313.006,

9-1 Government Code, does not apply to this Act.

9-2 SECTION 6. EFFECTIVE DATE. This Act takes effect  
9-3 immediately if it receives a vote of two-thirds of all the members  
9-4 elected to each house, as provided by Section 39, Article III, Texas  
9-5 Constitution. If this Act does not receive the vote necessary for  
9-6 immediate effect, this Act takes effect September 1, 2007.

9-7

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